



NORTH CAROLINA MILITARY AFFAIRS COMMISSION

Minutes for Executive Steering Group (ESG) Meeting, 3rd Quarter, August 6, 2020

Microsoft Teams/984-204-1487 Code:

Members Present

Grier Martin, Chairman
Frank Bottorff, Base Sustainability, Chair
Hon Chuck Allen, Installation Area
David Hayden, Economic Dev, Chair
Paul Friday, Installation Area
Sally-Ann Gupta A/R Sen Brown,
Legislative Affairs Chair
Sec Larry Hall

Additional Attendees

Larry Coleman, NC National Guard
Chad Sydnor, Cassidy, and Associates
Jamie Norment, ACT
Denny Lewis, EDPNC
Paul Berry, DMVA
Ariel Aponte, DMVA
Kelly Jackson, DMVA

Members Not Present

Senator Harry Brown
Kirk Warner, Quality of Life, Chair

NCMAC Members Present

Arnold Gordon-Bray

OPENING REMARKS: CHAIRMAN GRIER MARTIN

Chairman Grier Martin called the meeting to order at 10:03 am. Chairman Martin welcomed everyone to the Executive Steering Group (ESG) meeting and took a roll call of attendees. Kelly Jackson said that they had a quorum for this meeting.

CONSENT MINUTES: CHAIRMAN GRIER MARTIN

Chairman Martin asked for a motion to approve the minutes from the 3rd Quarter meeting held on May 5, 2020. David Hayden made a motion to approve the minutes. Chuck Allen seconded the motion and it passed by a unanimous vote.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS (DMVA) UPDATE: SECRETARY LARRY HALL

Secretary Hall said he wanted to update the group on what was happening in the Department. He had reported that last time on some of the changes that they had been experiencing in their nursing homes. They were able to get their population down to zero case for COVID-19. All of their nursing homes are COVID-19 free. There has been a tremendous effort on the part of his staff and the workers that have to go to their communities and go back and forth from work to their homes and comply with all of the protocols that have been established. The work that is being done with the Veterans Administration on the testing has been tremendous. They owe a debt of gratitude to the Department of Health and Human Services (DHHS) and the Veterans Administration Hospitals (VISN 6) for the support that they

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 2

Have received from these organizations. He thinks they have state of the art protocols in place. They have a quarantine wing at each of the facilities now and there is no one in those wings at this time. This quarantine wing can be used for a flu outbreak also. There will be a quarantine wing at the new facility in Kernersville that has recently been added. They will start work on the Raleigh nursing home next year. We have learned lessons from the new facility in Kernersville that we will take to the new facility in Raleigh. The Veteran Service Officers (VSO) throughout the communities are reaching out to their clients to touch each of them especially reference mental health, suicide or any other economic or financial need they may have. We want the VSO's to be a resource to all of their clients. A key thing for us is the isolation that these veterans could be facing and the mental health challenges when members come back from deployment. They are coming from a group setting and then have to go into isolation. We have put special emphasis on that with our VSO's or Veteran Service Technicians (VST). They have made over 20,000 calls, emails, or social media contact. We are continuing that effort. We have changed our role some and we will be providing information on unemployment benefits and trying to assist in that way as well. To refer people and inform them about the backlog and we have also contributed some personnel from our staff to work with the unemployment insurance office. We hope that everyone recognizes that our veterans and military families have spouses and other family members that rely on these benefits. This could have an effect on the communities around the military installations. When we try to do something for military spouses many of them are unemployed due to the pandemic as well. We want to be able to say that we are part of the community, not apart from the community. We sometimes forget how this can impact our military families. Congratulations to the Veterans Life Center.

QUALITY OF LIFE (QOL) COMMITTEE: KIRK WARNER

Kirk Warner was unable to attend the ESG meeting due to a work conflict. He sent a summary of the QOL meeting.

K-12 AND DEPARTMENT OF PUBLIC INSTRUCTION (DPI) UPDATES/ISSUES:

- Valerie Nasser gave a couple updates. She informed the committee that the
 - Purple Star Banners were all distributed by the Department of Administration and School Liaison Officers throughout the Eastern NC.
 - She and Jamie Livengood just got done presenting at the Career and Technical Educational Conference for NC. The National Perkins Five Act is what funds career and technical Education across the country. Our active duty connected youth were made a special population under that act last year.
 - In Craven County, she and Leafa Palmer are conducting a weekly campus check with any new family that registers remotely. The remote enrollment is going well in Craven county.
 - Purple Star Program: approximately 150 schools and all of the schools should have received a banner.
- Rollie Sampson talked about issues with the stop movement order. Doug Taggart will set up a meeting to talk about this issue.

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 3

DEPARTMENT OF PUBLIC INSTRUCTIONS (DPI) SUPPORT TO MILITARY FAMILIES:

- Doug Taggart said that Military Interstate Children's Compact Commission (MIC3) has not meet and he was having a hard time getting a meeting scheduled. The Commission Chairman Alex Irwin has resigned.
- There will be a memo that will be going out to the school systems about the Military School Identifier next month. It will be a reminder about those requirements.
- There is no update on the Military Liaison Officer (MLO) Coordinator position and the state budget. It all depends on whether the budget passes and that provision is in the budget from last year.
- They are beginning their third year for the Troops to Teachers grant. There have been 30 + hires this past year and a bit lower than his goal of 40 hires.

LEGISLATIVE UPDATE:

- Senate Bill 801. An Act to Appropriate Funds to the Military Presence Stabilization Fund: Section 1: By August 15, 2020, the Department of Commerce shall transfer the sum of two million dollars (\$2,000,000) in nonrecurring funds from the cash balance in the Film and Entertainment Grant Fund (Budget Code: 24609; Fund Code: 2590) to the Department of Military and Veterans Affairs (Budget Code: 13050; Fund Code: 1400) for deposit in the Military Presence Stabilization Fund established in G.S. 143B-1217.
- Chairman Warner talked about House Bill 1067. He is concerned about this bill not getting passed but should be an easy pass in the next session. House Bill 1067 Modernized Debt Settlement Prohibition. This issue has floated up by the Garrison Commander's and bases.
- Kevin Bruch asked about Senate Bill 706 and House Bill 1047, Educational Changes for Military Connected Students. He has checked with Sally-Ann Gupta and he has not gotten anything back from her yet. There were 3 topics in the bill. The first was NC tuition for dependents, the second was about homeschoolers, and the third was school attendance in a local school administrative unit for children of active duty military due to military orders of the parent.

STRATEGIC PLAN: Chairman Warner talked about the Strategic Plan and they have their priorities and implementation items.

SHARP PRESENTATION:

Presentation by Patricia Harris. There was a lot of discussion and Chairman Warner will look for someone to lead this discussion moving forward.

PUBLIC COMMENTS:

- Julie Fulton has 2 comments.
 - DoDEA school had been approved to participate in the Purple Star Program.
 - She asked if they could schedule a Military Interstate Children's Compact Commission (MIC3) meeting without the primary members if they could not be reached to schedule a meeting.

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting

August 6, 2020

Page 4

LEGISLATIVE AFFAIRS COMMITTEE: SALLY-ANN GUPTA

Sally-Ann Gupta said that Legislative Affairs committee met, and she would give an update on Legislation that had passed and signed into law or of interest to the Commission.

House Bill 1053/Senate Bill 717 signed into law on July 2, 2020.

Entitled Program Evaluation Division (PED) which is a division of the General Assembly.

PED/Military Occupational Licensure (OL) & Audiology Interstate Compact

This bill will implement recommendations for program evaluation division of the General Assembly regarding ways to improve the occupational licensure process for military trained applicants and military spouses. This makes North Carolina a member of the Interstate Compact for Audiology and Speech Pathology. The PED made a number of recommendations to reduce burdens on military trained applicants and spouses in obtaining their occupational licensure. This would require the Occupational Licensure Board (OLB) to implement and expedite the application process for military spouses. Requiring the OLB's to promote military licensure provisions so that the military trained applicant and their spouses are aware of the opportunities that the legislation provides. Also requiring the OLB's to annually report on the number of military trained applicants and their spouses who are licensed and the number of military trained applicants and spouses who were denied licensure. This does streamline and advance the process for military trained applicants and their spouses. It also, in terms of their licensure, provides for active duty military personnel or their spouses to designate a home state where they have a current license in good standing and they can retain the home state designation during the period that the service member is on active duty.

Senate Bill 681, signed into law on July 1, 2020.

Agency Policy Directives For the 2019 – 2020 Biennium does a number of things.

It clarifies that parties to an intergovernmental support agreement with a major military installation that operates a Public Safety Answering Point (PSAP) and use 911 funds for the next generation 911 system compatibility. It addressed the PSAP issues that we have talked about. Any cost incurred by a city or county that operates a PSAP to comply with the terms of an Intergovernmental Support Agreement (IGSA) and if all of the following apply. (a) A city or county or both have an IGSA under federal law 10 US Code Section 2679, with a major military installation as defined in GS 143-215.115 that operates a PSAP. (b) The IGSA permits the parties to serve as a backup PSAP or secondary PSAP for each other's 911 system. (c) The costs aid the PSAP operated by the city or county to establish and maintain the maximum amount of Next Generation 911 system compatibility with the PSAP operated by the major military installation. Application to Major Military Installations: If a PSAP is a party to the IGSA under 10 US Code Section 2679 which includes a PSAP operated by a major military installation, as defined in GS 143-215.115, the 911 board shall treat the IGSA under 10 US Code Section 2679 as an interlocal agreement under sub subdivision (a)(3)e. of this section for purposes of funding any city or county that is a party to the IGSA under the funding formula under subdivision (a)(3) of this section.

One of the things that it now does is creates a searchable database of military credit equivalencies for the UNC system. Part III. Section 3.2. The University of North Carolina System in collaboration with the North Carolina Community College System through the Military Credit Advisory Council shall create a searchable database of military credit equivalencies to better serve military affiliated students and to complete the initial phase of military credit evaluations. She hopes this will help with some of the

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 5

discussions that this Commission has had about getting military members college credit for their training. That the database will help to translate their experience into a college credit.

Provided an allowance for need-base scholarships for dependents of veterans and active duty military for private institutions, colleges, and universities in NC. If added language that if a student is a dependent relative of a veteran who is abiding in NC while sharing an abode with the veteran and the dependent relative provides the institution to which they are seeking that assistance a letter of intent to establish residency in NC. Or they are the dependent relative of an active duty member of the armed forces who is abiding in NC while on active duty and share an abode. They can also qualify for need-based scholarships at private institutions.

Provided the authorizing language for the Military Presence Stabilization Fund which is authorizing language for the funding for the NC Military Affairs Commission. Up to \$225,000 for grants for local communities or military installations through this fund.

Senate Bill 801 Appropriate funds to the Military Presence Stabilization Fund signed into law on June 19, 2020. Senators Brown, Harrington and Jackson sponsored the bill

Section 1: By August 15, 2020, the Department of Commerce shall transfer the sum of two million dollars (\$2,000,000) in nonrecurring funds from the cash balance in the Film and Entertainment Grant Fund (Budget Code: 24609; Fund Code: 2590) to the Department of Military and Veterans Affairs (Budget Code: 13050; Fund Code: 1400) for deposit in the Military Presence Stabilization Fund established in G.S. 143B-1217. The funds transferred in this act are appropriated for the 2020-2021 fiscal year and shall be used to sustain and maintain the State's military installations, updates to strategic planning, federal advocacy, and identification of measures to increase the military value of installations. Due to COVID-19 it has been a difficult funding cycle.

Senate Bill 188 was not passed into law. Military State Income Tax Relief advanced by Senator Burgin. It did pass the first reading and went to the Senate Rules committee in March. She hopes that this can be advanced out of the Rules committee or reintroduced in another Session. They will see about doing that through Senator Burgin or anyone else who is interested in reintroducing this legislation.

Senate Bill 560: Scholarships for Children of Wartime Veterans signed into law on January 16, 2020

It gave the Department of Military and Veterans Affairs the sum of \$2,400,000 recurring funds for each year of the 2019-2021 biennium for students receiving a NC scholarship for children of wartime veterans.

Senate Bill 706 and House Bill 1047 Educational Changes for Military Connected Students

This bill was formed on the Resolution from the NC Military Affairs Commission and had called for student attendance in a local school administrative unit for children of active duty military where their parents are on orders and also clarified continuous enrollment for high school students who are dependents of military personnel once they were admitted to a state university. For example, if they are a high school senior and their parent was transferred out of state on military orders, then they would still get that instate tuition. This was gutted during a House education meeting and made a vehicle for unrelated language and then adopted. The bill has been stripped of all of the original

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 6

language and now is a bill for technical language. She asked Chairman Martin if he had any information on the fate of that bill and why it was stripped of the original language? Chairman Martin said he thought it got caught up in the rush to get out of town and the bill was offered up for a bill of technical corrections. He hopes that there was some agreement between the House and Senate leadership to pass the language somewhere else but that did not happen. He hopes that was an oversight that that did not get done. He did not detect any opposition to the bill. He asked Sally-Ann Gupta if she thought that it could be brought back up when they come back for a few days? He told Sally-Ann Gupta that they needed to talk about this off-line. They also need to include Rep Cleveland.

Questions: Chuck Allen asked her about the \$225,000 Grant. Is that in the NCMAC's \$2M or do we need to budget that? Sally-Ann Gupta said that the Grant funding was for the Community Base Projects. It is similar to what you have received in the past. There will be a review team that will review the grant proposals that will be submitted and responsible to recommend the disperse those funds to the Full NC Military Affairs Commission. Chuck Allen asked what this did to the other grants that are out there? Frank Bottorff said that he did not think it did anything to the current grant request or Request for Proposal (RFP) that is out and the funding with previous years money. Frank Bottorff asked Sally-Ann Gupta since they specifically reiterated that of the 2 year funding of \$2 million and \$225,000 will go to Community Grants. We normally do that cycle once out of every 2 year budget. In the original language funding and he thinks it was about 4 years ago. There was a list of what they could spend money on. One of these on the list was up to \$225,000. Another item on the list was fully funding an Economic Development Partnership for North Carolina (EDPNC) position. So, his question is what the relationship to the past language is and is that still in existence or do we now have a mandate to ensure that we still do the Grant program out of the 2 year budget. Then are the other restrictions no longer with the Commission and they have more flexibility with the money? Sally-Ann Gupta said that she had the language in front of her and she wants to guide them in the right way. She will look more closely off-line, but she thinks all of the same restrictions still apply. Frank Bottorff said that would be the conservative way to look at this right now and it was up to \$225,000 for the Community Grants. He does not think there is a new and separate grant requirement. Just out of this 2 year budget they will put \$225,000 against the Community Grant program. Sally-Ann Gupta said that the Grant Funds shall not be used for Lobbying the General Assembly, Salaries, Travel, or other administrative costs. The NCMAC shall establish guidelines for applying for these grants. She thinks that it is probably all still the same restrictions. Frank Bottorff said that that language sounded the same as before. Sally-Ann Gupta said that she did not think they would try to reinvent the guidelines.

Paul Friday talked about the retirement of Senator Brown from the General Assembly and what is appropriate for the NCMAC do to for this occasion and acknowledgement of his efforts on behalf of the NC Military Affairs Commission. Sally-Ann Gupta said she appreciate Paul Friday introducing this topic. This had been discussed at the Legislative Affairs Committee meeting in July. Senator Brown has decided to not run for re-election and retire from the General Assembly. The Legislative Affairs committee had recommended that the NCMAC put together some type of recognition for all of this efforts and support of the NCMAC for many years. Chairman Martin said that he would be happy to take that on and he would appreciate help from Sally-Ann Gupta to guide him with this matter and what would be appropriate. Sally-Ann Gupta asked what had we done in the past? Chairman Martin said that we had not done much in the past. We need to develop something to formally acknowledge folks that

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 7

have supported this Commission. He said that he would think about what could be appropriate and then he would get input from others on this. Chuck Allen said that he wanted to make a comment that not many people have done what Senator Brown has done for this Commission and the military. He was an advocate for this group. Sally-Ann Gupta said that this is something to keep in mind as we decide how to recognize him.

Something else that the committee talked about was due to Senator Brown's retirement, that will leave an obvious void for the Commission. Championing the priorities of the NCMAC in the Senate chamber. So, when it comes to looking for a new champion or champions who are sensitive and responsive to the priorities of the NCMAC and the goals that the NCMAC hopes to advance. Chairman Martin said that would be critical. Sally-Ann Gupta said that Senator Brown would be in place until his successor takes office and that would be in January 2021.

Kelly Jackson commented that the Commission needed to develop a certificate of appreciation for the members that have served the Commission. She mentioned that Stan Walz had to resign from the Commission due to a job relocation and some of the members term will soon be expiring. Chairman Martin said that he wanted to talk to her off-line about the certificate.

STRATEGIC PLAN

Sally-Ann Gupta talked about the priorities and implementation items to the committee. She asked the committee members to review the priorities and implementation items and send her any comments for changes.

ECONOMIC DEVELOPMENT COMMITTEE: DAVID HAYDEN

David Hayden said that they met on July 14, 2020 via Microsoft Teams. The topics from the meeting were the budget by Frank Bottorff. The good news with that was the funding that was received from the General Assembly reference Senate Bill 801. We had a great briefing from Jamie Norment from Marine Corps Air Station (MCAS) and Fleet Readiness Center-East (FRC-East). Arnold Gordon-Bray gave the committee an update from Fort Bragg. Scott Dorney gave us an update from the North Carolina Business Military Center (NCMBC) and all of the things they were doing during COVID-19. Will Best gave a quick update from the Department of Commerce and they were able to hire Matrix Design group and move forward with the encroachment protection for the Dare County Bombing Range. We also received an update from Denny Lewis from Economic Development Partnership for NC (EDPNC). We will go into more discussion on what information we received from Denny Lewis. We will talk more about the proposal that he brought to our committee. We also had a good presentation from Kimberly Williams from NC4ME. Another topic that was discussed was about the Income Tax Exemption for Retired Military. We thought this topic was low hanging fruit, but this has been an uphill slug. We have made some progress with our discussions with 2 different universities. We have talked to East Carolina University (ECU), Keith Wheeler who is a retired Navy. He has a couple of researchers that have a proposal on how they think they can assist in this effort. It is a comprehensive proposal. We may need something more focused. They will be coming back to us with an updated proposal. The other university is Fayetteville State University (FSU), and they took old data and came up with some strong arguments that would support a military tax exemption. He thinks that one or both of these studies could give us what the legislature needs. He hopes to have more information on this topic for the

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 8

NCMAC meeting on August 18. The last thing that was discussed was the strategic priorities. He said that Arnold Gordon-Bray had talked about developing a dashboard to show how they are making progress on each of the intermediate steps (red, yellow, and green). More to follow on this. One thing that he is going to talk to Kelly Jackson about is going back to an earlier point about revamping the Scope of Work (SOW) that is currently being done. He said that Frank Bottorff asked the question about whether this exceeded the authority of the original Memorandum of Understanding (MOU) so that we may need to go back to the legal counsel at the Department of Commerce (DOC) to see if the change is an authorized change or still within the boundaries of the original MOU. David Hayden said that he felt that it was still within the original MOU guidelines and Frank Bottorff agrees with David Hayden's assessment. He will have Kelly Jackson check with that legal counsel from DOC. Then they will have the green light to move forward on these changes. He wants to have a good discussion on the recommended changes for EDPNC and stop kicking the can down the road. This topic needs to be on the agenda. He also thinks that there are other initiatives out there that are pending before the NCMAC that the Economic Development Committee would certainly ask for NCMAC consideration. The one item is the proposal from the Defense Alliance of North Carolina (DANC) to take the Cluster Study to the next level. He will let Frank Bottorff talk about that later in this meeting.

Discussion: Chairman Martin asked David Hayden what action does he want to see from the NCMAC at the August meeting regards to EDPNC? He said that he thought there needed to be an intermediate committee meet with Denny Lewis and nail out what they think is an acceptable, with the bounds of the MOU, changes to his current proposal. Then bring that proposal to the Commission at the August meeting. Then he can brief the Commission members on the recommended changes and get approved from the Commission members. The other option is to empower that Committee to make that decision. Chairman Martin asked if it was doable for David Hayden's committee to get together before the Commission meeting and have a recommendation ready for that meeting? David Hayden said that he would schedule an Economic Development committee meeting in the next week. Chairman Martin asked that the recommendation from this committee be sent out prior to the Commission members for their review. Frank Bottorff said that he thinks the conversation should be between the Economic Development committee and EDPNC. So, any request for modification should be coming from Chris Chung. Also, with the agreement that we currently have, that Chris Chung does have the flexibility to modify specifics within those tasks. We do not want to create a problem if potentially Chris Chung can fix or change things on his own. David Hayden proposed an alternative. He will get the Economic Development committee together with Denny Lewis to finalize the proposal with input from this group. Then Chris Chung can review that proposal to ensure that it is within his MOU and then we will share that with the NCMAC at the August meeting. Frank Bottorff said that if Chris Chung does not think he has the authority within the current agreement then we can adjust as needed. David Hayden will schedule that meeting and move forward. He will then be ready for the August NCMAC meeting.

Frank Bottorff wanted to make a statement about the FSU and ECU studies. He said that since we have multiple things going on that we may need to write a Scope of Work (SOW) for what we are looking for. We should not be trying to fund a study with an answer in mind. We need to throw the net widely. Is this a benefit or not for the state? If we tell them that we want them to strengthen the argument in advance, then some could say that it is just an internal document. We want people to take the

information seriously. We want both supporters and opposers to look that what has been done as a legitimate research document. David Hayden said that he supported Frank Bottorffs comments. They are coming to us with a statement of work or a revised proposal from the original proposal and a broader brush. He is not sure that if we develop a statement of work at this time, that it will not slow down the process. We do not think that will get much movement from the legislature this session. He asked Frank Bottorff how he would propose doing a statement of work? Frank Bottorff said that if we have an initiating document that shows that we really want them to look at the problem set and look at whether or not it is really beneficial or not to the state, that will help the argument at the end. So, what we asked for was truly a research project and this was the result. He said that it did not need to be fancy. It can just be one paragraph. David Hayden said that he would work on that paragraph. Chairman Martin said that in the General Assembly a credible study tends to agree with and reinforces the preconceived notions that we have. He thinks that it is helpful to add credibility when we can. But do not think that will get you too far with the General Assembly. Secondly, the main way that this will get done is some type of grass roots, bottom to the top lobbying effort. Where members from the General Assembly are hearing about this from their constituents in all of the districts around the state. Fortunately, we have someone who can help to get this issue out to the veteran's organization so the General Assembly members can hear about this issue and hopefully make it a priority. A study will help to make this easier. He does think that it is worth having a conversation with Rep Szoka in regard to the study because Rep Szoka is and could still be the Chairman of the Finance committee of the House that handles these sort of issues. We want to ensure that we put Rep Szoka or his successor with a study that answers the questions that his legislative staff would be asking. What data does Rep Szoka need to convince legislative staff that this could result in a savings in the biennium or at least the cost is mitigated by economic needs. We will want to tailor the study to ensure that it will generate data that is relevant in the short term and intelligible by the legislative staff. He asked David Hayden if he needed anything else. David Hayden said that he would draft up something from the Economic Development Committee and then show that to the Chairman. He will also coordinate with Rep John Szoka to see if this is the information that would be needed. He can also tell him about the two studies. Once we get that blessed, it could take several weeks to do that. We can then provide that as a further request to the two proposed research organizations to see if their studies cover that or could cover that. We have already heard from ECU and they spoke at the last NCMAC meeting. He thinks this is still a worthwhile effort.

Chairman Martin asked Sally-Ann Gupta if she heard the conversation on tax exemption of military retiree pay? Sally-Ann Gupta said that she did. Sally Ann Gupta said to share the studies with Rep Szoka and also any research and data with Senator Burgin. He was the sponsor of Senate Bill 188, Military Income Tax Relief in the Senate which is stalled in the Rules Committee but passed the first reading when it came to the floor. He is a strong advocate for this proposal. It is helpful to have both a House and Senate counterpart when you are looking to advance legislation and have the best shot at passing that legislation.

BASE SUSTAINABILITY AND COMMUNITY AFFAIRS (BS&CA) COMMITTEE: FRANK BOTTORFF

Frank Bottorff said that the Base Sustainability and Community Affairs Committee met on July 23, 2020. They had a briefing from Sentinel Landscapes which was more about the Soil and Water Conservation. That project is ongoing. They have held some leadership round table meetings but clearly the COVID-19

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 10

restrictions have hurt some of the community meetings with landowners. They have their challenges at this time. There was an update from Will Best from Commerce. The Dare County Bombing Range discussions have begun, and they have gotten over the hurdles. The schedule has been adjusted to account for the delay and Matrix Design Group is moving forward on that project. We also had an update from John Nicholson from Department of Environmental Quality (DEQ). They are working with Marine Corps Installations-East (MCI-E) on express permitting and agreements. Everything is going pretty well. When you go a long period of time without anyone complaining about permitting requirements for environmental issues that is a good news story. It sounds like DEQ and the military are working well together to ensure that the military can move forward with all of their requirements. Bryan Ayers said that the NC Commander's Council will meet on August 18 via WebEx in the morning. COVID-19 is having a big impact on the military. The Permanent Change of Station (PCS) season, which is upon us, they are allowing families to travel because there was a moratorium before. David Myers brought up a concern about the GI bill and delay in payments and impacting students. We may want to see if this has been resolved. This was an issue at the University of North Carolina Greensboro.

There were installations updates. The first update was from Paul Friday and MCI-E. There is a lot of Military Construction (MILCON) going on at all of the installations. Camp Lejeune and Cherry Point have a lot of construction going on at both locations. The construction is from Hurricane Recovery and MILCON. There was an update on the Census from Bob Coats. We need to add the Census to the NCMAC agenda. After the census briefing we were given an update by county of how we are doing and the military related communities. North Carolina has a long way to go census wise. This is widely important to the state. We want to get the representation that NC deserves. Another update from an installation was from the Air Force. They are conducting a study where they are rating all of the Air Force Installations in regard to spousal licensure employment environment. Looking at it from the Legislative standpoint. That goes back to some of the things that Sally-Ann Gupta was talking about. The Air Force is looking at all of their installations and they are using that data for basing decisions. He is not sure of the other Services are doing something similar to this study. He expects that all of the Services will be looking at similar information from each State to help with decision making.

Frank Bottorff said that when Sally-Ann Gupta was goes through all of the bills that have been passed, we know that over that last 8-10 years, NC has done a significant amount of work improving the environment for the military and their families. We need to put something together to track all of these things in one format. It should be by years or something to show the support for the military. We do a lot of good work and then it hits the shelves. Chuck Allen said that this could be used as a marketing tool. Frank Bottorff said that the NCMAC and the Legislature have done some great things in the past and we need to talk about those things. Chuck Allen said that Florida has done a great job putting together the legislative accomplishments. We had done a lot and need to do the same thing. We want to ensure that the installations and military communities have that information also. Sally-Ann Gupta asked if Frank Bottorff knew how the Air Force was gathering that information. Who are they talking to at the State level to see what legislation has been passed? We have passed so many bill the past few years that affect the quality of life for our service members, spouses, and families. She asked how are they gathering this information? Chuck Allen said that he had a lot of that information on his computer and would send that information to her as a starting point. Frank Bottorff said that in talking to Air Force representatives all they know is that the Air Force is conducting this study. They did not have the

specific methodology of how they are doing the study. If they just go to the installations and ask a couple of people to provide them with what the state is doing then they will probably not get a true picture of what the state is doing. That is a concern. We need to ensure that we create something that captures all of the information. Sally-Ann Gupta said that we will have to go back years. Just like you did today, we can put something together and update it annually from the Legislative committee. We take the items that have been passed and add it to the tracker. Chairman Martin asked Sally-Ann Gupta to take the lead on this project and do some thinking with your committee on what this should look like. Sally-Ann Gupta said that she could get the ball rolling on this and she agreed with Chuck Allen that it had a due purpose. It will be a document that they can always update of successes from the past and it can be used as a marketing tool. It can be used as an internal document to help to shape priorities for the future. It can be helpful for basing decisions. Frank Bottorff asked if this could be a document that is housed in the Department of Military and Veterans Affairs? Sally-Ann Gupta said that she thought it would be a document that Kelly Jackson would want to maintain for the NCMAC.

Frank Bottorff said that another topic was about Intergovernmental Service Agreements (IGSA) authority. That there could be a hole in the legislature guidance for the municipalities ability to do some of the IGSA work. He thinks it is 163-11 or 163a. He is not sure what language needs to be updated at this time. He asked Chuck Allen if he knew of any specific language that needed to be changed, to let him know. Chuck Allen said that he would go back and review the documents and get back with Frank Bottorff.

STRATEGIC PLAN UPDATE: FRANK BOTTORFF

Frank Bottorff said that all of the committees have had an opportunity to review the strategic plan. They have been able to look at the priorities and then to create the implementation recommendations. He asked Kelly Jackson if there was something from Legislative Affairs reference implementation recommendations? Kelly Jackson said that Paul Friday had written Legislative Affairs implementation recommendations and they need to be approved by the Legislative Affairs committee. She needs to update one thing for Economic Development. The information for Base Sustainability and Quality of Life are updated. Frank Bottorff said that the priorities and implementation recommendations are good at his point. The next step is to take this and put into final form. We will need an introductory letter from Chairman Martin. We need to be finalizing this document in the next couple of months as it is due to the General Assembly by November 1, 2020. We will not be making any substantial changes to the priorities or the implementation recommendations we will just be cleaning this up. We will need the committee leads and himself to finalize this document. The Chairman will be involved at all time. We are waiting on comments from the National Guard at this time. He asked the group if anyone had any concerns at this time? Chuck Allen said that getting some of the facts that Sally-Ann Gupta talked about could be part of this document. Frank Bottorff said that we do not have time to add a legislative accomplishments page at this time, but that information will be helpful down the road. We need that information for what is next. What are the legislative items that we think we are still trying to address in the future? We do have priorities and implementation steps, so the question is what do we really want the NCMAC to accomplish in the next 12-24 months. Are we putting the funding towards our strategic planning efforts? Does it all match up? Chairman Martin said that part of this is driven by the fact that the uncertainty over our funding has been resolved and we are fortunate to have funding to do some things. It is important to take a pause and think about how we want to spend the funding that we have

been given. Frank Bottorff said that he would like to talk about the budget at this time because they will go together.

FINANCE AND BUDGET TASK FORCE: FRANK BOTTORFF

Frank Bottorff gave a budget presentation to the group. Last year the Commission just approved items that we needed to get us through the 1st quarter of the State's fiscal year. We did not know what funding we may receive so we did not approve a full budget. With the Legislature providing the Commission with funding and what we are bringing forward from last year he has created this budget. Since we get funded \$1M a year, we can go over \$1M a year for the next couple of years due to the carry over that we have at this time. In this budget we the recurring items are \$800,000 of the \$1M budget. We just need to be mindful of what the Commission's priorities are going forward. At the NCMAC meeting the Commission needs to approve the budget items listed below. We want to review all of the contracts that we currently have which are recurring partnerships. We need to determine a methodology on how and when we review our contracts.

We will need to approve the 20-21 budget. Chairman Martin asked if anyone had questions from the presentation. He said that for the Commission meeting he would like to have the process be more proactive than reactive as possible. We make better decisions when we look at the big picture than looking at individual decisions. That should be our goal. Frank Bottorff said that he agreed with the Chairman and if they could have an annual schedule, where we are looking at most of these items at one time is more effective and more efficient. There always could be an emerging item that we may need to decide on. The problem is when all of these expire at a different time, how do we make an adjustment to get to a cyclic decision making process. An October timeframe is probably the best since we get the budget July 1 and no doubt what funding has been approved. That does not mean we are not starting the process by January. Then when we get to the first quarter of the new fiscal year, we are briefing to the board and making decisions. How do we bridge the gap? Chairman Martin asked if it is as simple as a certain buffer in our budget for emergent items? Then we will have the flexibility to respond to those things. The downside is if things do not emerge that will be money in the budget there could have been allocated elsewhere. Frank Bottorff said that within our budget today, we have a line called other stabilization initiatives which is \$40,000 and minor contractual services for \$15,000. So, we do have \$15,000 that is flexible. Chairman Martin said that if we move forward on this and just having a process that ensures that the Full Commission does not make decisions based solely on the good idea fairy and there is a vetting process even for emerging items. Whether that is the ESG or a new committee? Frank Bottorff said that he thought the Chairman was correct.

Chairman Martin asked the ESG members what they thought about the ESG be the group that would vet anything emergent that came up. A requirement that anything emergent that comes in be vetted by the ESG and they bring a recommendation to the full NCMAC. David Hayden, Chuck Allen, and Frank Bottorff agreed to that recommendation. Chairman Martin asked if that needed to be looked at by the Bylaws committee? He will get with Kirk Warner on that matter. Chuck Allen said that anything that we want to get passed budget related needs to be sent out prior to the meeting for members to review and everyone is ready for the vote. Chairman Martin said that needed to happen. He asked if that needed to be a bylaws change for anything emergent to be considered, the ESG presents the details to the Commission members by email NLT X number of days prior to the meeting. Chuck Allen said that was a

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 13

good recommendation. Frank Bottorff said that is why he did the budget approval slide. A presentation should go out to the full commission prior to the NCMAC meeting for them to review and be prepared for a vote.

Frank Bottorff said that the Sentinel Landscape Memorandum of Understanding (MOU) will expire in November but based on the way that they operate, at our November NCMAC meeting review and reapprove both Sentinel Landscape and EDPNC. Both will need to be updated at that time. We could do a full year or make all contacts start on July 1 or October 1. Kelly Jackson said that the EDPNC MOU is valid through 2021. Effective January 1, 2019 – December 31, 2021. Chuck Allen asked if anyone has evaluated EDPNC and getting what we are paying for? David Hayden said that he has had conversations with the EDPNC leadership about this MOU. They have refocused their efforts due to COVID-19. They are keeping the Economic Development Committee updated on any changes and will be meeting with them prior to the NCMAC meeting on August 18. Frank Bottorff said that Chuck Allen brings up a very good point. That is part of why we want to have a schedule to review all of these contracts. These contracts should not be renewed because we have done them in the past. During the January thru June cycle, we should be reviewing them and getting briefings from all of them on what they have accomplished and planning for the next year.

David Hayden said that the Economic Development committee is always looking for ways help the defense economy grow and one of the organizations that both Paul Friday and he are familiar with is the Defense Alliance of North Carolina (DANC). They have a proposal for our consideration, and he wants to strongly encourage that we have a chance to look at that. To take the Defense Cluster Study to the next level. He will not be able to vote on the proposal, but it is one of those commonsense things that we need to look at and consider. This is a way to advance our priorities and take advantage of what they are proposing. The study has been sitting there for a while and he hopes that we can make this happen. This is a great partnership for what the NCMAC is trying to do. Frank Bottorff said that he had seen the proposal and when you look at what we do and what we are trying to accomplish, the proposal pulls some of this together. The proposal is a worthy consideration for the Commission, and he does not think there is any doubt that we would be better off having this partnership. The reality is for \$50k a year to have them involved as a partner is something that needs to be considered. He thinks they would be ready to give their proposal at the August meeting if we want to add it to the agenda. Chairman Martin said that we have had the proposal for a while and since we are trying to be more proactive than reactive we do need to tie up some loose ends like this proposal. Is this group comfortable with asking the Full NCMAC to decide on this proposal at the upcoming meeting? Frank Bottorff and David Hayden said they thought it was a good idea. He thinks that most of the members will see the benefit of coordinating with this organization. Chairman Martin said he agreed. If you take what they are proposing to do and what their mission is it lines up with the NCMAC's mission very well. He said he would add that to the agenda for the August 18 meeting. He would like to have their proposal sent out a couple days prior to the NCMAC meeting. Then we can have them give a quick presentation at the meeting if a schedule works out for that.

NC Military Affairs Commission FY20-21 Budget Approval and Contract Review Schedule:
Budget:

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 14

<u>20-21 Budget</u>	<u>20-21 Expense</u>	<u>21-22 Budget</u>	
Appropriation	\$1,000,000.00		\$1,000,000.00
Brought forward	\$ 893,665,88		
Administration	\$ 40,000		\$ 40,000
Conferences	\$ 40,000		\$ 40,000
Lobbying contract	\$ 330,000	\$ 51,000	\$ 330,000
Minor Contracted serv	\$ 15,000		\$ 15,000
Marketing/STRATCOM	\$ 200,000		
Other Stab Initiatives	\$ 40,000		\$ 40,000
NC4ME	\$ 40,000		\$ 40,000
EDPNC	\$ 120,000	\$ 30,000	\$ 120,000
Sentinel Landscape	\$ 150,000		\$ 150,000
Community Grants	\$ 225,000		\$ 225,000
Annual Total	\$ 1,200,000		\$ 1,000.000
Balance	\$ 693,665.88		

Budget Approvals:

- Motion and second to approve the following expenses.
 - Lobbying July-March (current contract) \$253,500
 - (\$306,000 (\$25,500 monthly + \$24,000 additional travel with approval)
 - EDPNC (July, October, January, April)
 - Administration \$ 40,000
 - Conferences \$ 40,000

Recurring Partnerships and Initiatives Schedule of Review:

- Sentinel Landscapes \$150,000 (Aug review, expires 13 Nov)
- EDPNC \$120,000 (Nov review, expires 31 Dec)
- NC4ME \$ 40,000 (Nov review, Jan renewal)
- Cassidy & Associates Lobbying \$330,000 (Feb review, expires 31 March)
- Community Grants Biennial \$225.000 (October review)

Other Potential Expenditures:

- Marketing/Strategic Communications \$200,000

New Considerations (October-November meeting consideration)

- UNC TB Partnership \$197,200
- Defense Alliance/NCMAC Partnership Grant \$ 50,000

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 15

- ECU Research Study Proposal \$ 43,000
 - Exempt Military Retirement pay from Taxation
- Other

INSTALLATION COORDINATOR UPDATES: CHAIRMAN MARTIN

Chairman Martin asked the Installation coordinators if they had any comments. Frank Bottorff said that there was a lot going on at Cherry Point with military construction (MILCON) related to the F-35. They continue to work on the Hurricane recovery expenditures for those improvements. In July there was a Congressional visit from Congressman Murphy, and it went very well. We are getting the Navy, Marine Corps and Congress interested in the future of Fleet Readiness Center – East (FRC-East) and how they are supporting the military. Chairman Martin said that he was pleased that Congressman Murphy took the trip to FRC-E and now has a better understanding of the facility and not just a bunch of Marines running around. You really need to be on the ground to see the magnitude of FRC-E. Frank Bottorff said that you forget when you have an industrial facility with over 5000 employees, the biggest industrial facility east of I-95. You forget how much they are really accomplishing and how important it is to the State of NC and the regional economy.

Arnold Gordon-Bray said that for Fort Bragg it is the need for the Department of Transportation (DOT) partnership for deployability and access around Fort Bragg. Hopefully, you can share that letter with the rest of the ESG. He also talked about the FSU study and he has been in contact with them about the study. He wanted to let this group know that the study has been expanded and there is a data collection model that has a ticket on it to allow it to expand and cover a lot of the issues that are essential to what we are trying to do. So, when we do decide on what we are going to do, there is at least a coloration that we try to push forward on this matter. Chairman Martin asked what does he think is the next step? Arnold Gordon-Bray said that he would have FSU put together a paper for the group to look at.

Chuck Allen said that they have a new Commander at Seymour Johnson Air Force Base (SJAFOB) Colonel Kurt C. Helphinstine, 4th Fighter Wing. His call sign is Big Foot. They got their first KC-46 but they cannot see it due to COVID-19. He thinks everything is going well at SJAFOB.

Chairman Martin said that Fort Bragg has a new Garrison Commander. He is either inbound or has started on the job. Once things are better with the pandemic some of them would like to meet with him. He will check to see if they can coordinate a Zoom call to introduce themselves.

CASSIDY AND ASSOCIATES: CHAD SYDNOR

Chad Sydnor from Cassidy and Associates gave the members a lobbying update. He said that the next round of Phase V of COVID-19 package is still being negotiated. It looks like Senators are going to leave town without reaching a deal on this. The Senate version of this has money in it for the Department of Defense (DoD). The House version does not. We will see where we end up on that and a lot of that is for the health of the defense industrial base. The appropriations process, the House has passed 10 of their 12 bills. The 2 bills that they have not passed in the legislative branch have to do with a controversial piece in there, pay raises for members of Congress. Steny Hoyer, House Majority Leader wanted to see that in there but in an election year that is a political football. Homeland Security has not passed the House yet. That has to do with the Southwest border and immigration. That bill is always a

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 16

political football, especially with the immigration stuff. This is important to NC because Congressman David Price did ask for and received a Coast Guard unfunded requirement of \$25 million. The funding is to repair runway 119 at Elizabeth City Coast Guard Base. That runway has been inoperable for about a decade. That is a big deal. Senate Tillis also asked for this in the Senate Bill, but we have not seen the Senate Appropriations bills. The Senate Appropriations process is a mess right now due to politics. Hopefully, we will see something in the Fall. We will most certainly be on a Continuing Resolution (CR) come October 1, 2020. The question is not if but how long it will last. He would think until after the election, but it could go farther depending on whether the Senate flips over to the Democrats and Former Vice President Biden wins the election. If you remember what happened in 2016, when President Trump won, and both Chambers of Congress were held by Republicans and then they won the White House. They waited until late March to implement an appropriations bill so the Republicans could put their own stamp on the budget as opposed to Former President's Obama's submission. The National Defense Authorization Act (NDAA) has been passed by both Chambers and is in conference now. The policy provision is relevant to NC over the renaming of Bases that have a link to the Confederacy or Confederate Officers. That would be Fort Bragg and It is in both bills. The President has issued a Statement of Administration Policy (SAP) and he said that he was going to veto it, and this is all political posturing. Senator Inhofe, Chairman of the Senate Appropriations Committee has fallen on the grenade and said that he would strip it out. He does not see how he would do that. Some people have said that they are going to get this thing done and try to pass it in September or October but he does not see how that can happen because he believes President Trump will veto it and there will not be the votes to override it. A lot will get done after the election similar to appropriations.

He talked about Elizabeth City and he will talk about the bases. Mayor Allen talked about a couple things at Seymour Johnson Air Force Base. He said that Senator Tills included a provision, that offered a forum that was adopted for the Bryan Multi-Sport complex in Goldsboro. That would allow the Air Force to extend that lease by 30 years at no cost. That is an authority, assuming it survives conference. The Air Force would still need to execute it and Goldsboro has been looking to resolve that issue.

Camp Lejeune and Marine Corps Air Station, New River: There is \$20M in there for the II Marine Expeditionary Force (MEF) Operations Headquarters replacement. There is also an additional \$50.5M to complete the Hadnot Point Water Treatment Plant replacement. Cherry Point: In the Senate NDAA there is authorization for \$51.9M which is an unfunded requirement and not in the President's budget, for a new fitness center and pool. That is something that Cherry Point has been asking for, for a long time. That is also included in the House MILCON appropriations bill. We will have to ensure that survives conference and NDAA because it does require by law an Authorization and then be included in the Senate Appropriations Bill as well. There is also an additional \$7M in the House Bill to complete the Lift Fan. That is good news. There is also a section in the Senate NDAA clarifying that the Navy is responsible for MILCON at FRC-E. That has been a food fight between Navy and Marine Corps over the years.

Fort Bragg: There is a lot of soft money. There is no Army MILCON money unfortunately. There is one Army Reserve project for a new Drill Center in Asheville, for \$24M. North Carolina is doing well, and we got a number of items pulled forward off of the Unfunded (UFR) list and funded. We are well ahead of what was asked for in the President's budget. We have also gotten after some issues that have been

Minutes for 3rd Quarter Executive Steering Group (ESG) Meeting
August 6, 2020
Page 17

long standing issues at Installations, like the Runway at Elizabeth City, the Fitness Center at Cherry Point and there is a lot of money and construction going on at Camp Lejeune and New River from the hurricane.

AGENDA FOR FULL NCMAC:

Chairman Martin asked that Kelly Jackson read back everything that had been proposed for the August NCMAC agenda. Then see if there are any corrections to those items. Then we that is done she can put this in draft form and send to the members for approval. Kelly Jackson read the items to the group. Frank Bottorff said that he would make a slides for the budget items that need to be approved.

DMVA Update	Secretary Larry Hall (15)	
Committee Updates	Committee Chairpersons (10 each/40)	
Task Force Updates	Task Force Chairpersons (10 each/20)) additional 10 for Budget	
NCCC Update	Michael Scalise (10)	
Census update	Bob Coats (10)	
DC Update	Chad Sydnor/James McCleskey (15)	ESG
DANC Presentation	Bill Herrold (10)	Economic Development
EDPNC Discussion	David Hayden (10)	Economic Development
Strategic Plan	Frank Bottorff (10)	ESG

NEW BUSINESS: CHAIRMAN MARTIN

None

ADJOURNMENT: Chairman Martin adjourned meeting 12:05 pm.